



## **13<sup>TH</sup> ASIA-EUROPE BUSINESS FORUM (AEBF 13)**

**3 TO 5 NOVEMBER 2012 | VIENTIANE - LAO PDR**

### **Chairman's Statement, 5<sup>th</sup> November 2012**

The 13th Asia-Europe Business Forum (AEBF) was held in Vientiane on 3-5 November 2012 in parallel with the ASEM 9 Summit. The Forum was chaired by Mr. Kissana Vongsay, President of the Lao National Chamber of Commerce and Industry (LNCCI). Over 200 leading business representatives and government officials from both Asia and Europe participated in the Forum. A number of AEBF13 participants were invited to brief 6 ASEM Heads of State and Government at a breakfast on 5 November.

#### **General themes**

The general theme for AEBF 13 was “Caring for the Earth - for sustainable economic and business in Asia and Europe”. This year has seen continuing severe economic problems in Europe and, to a lesser extent, in Asia. The global economy is still trying to cope with the aftermath of the financial crisis that started in 2008-09. At the same time, never has the need to reinforce the positive economic relations between Asia and Europe been so strong, whether in terms of trade, of investments, of technological exchanges, of business cross-fertilizations, of cooperation with third countries, and, more generally, in enhanced mutual understanding. We believe that business, trade and cross-investments are great factors of peace, in tune with the general theme that the ASEM has chosen for this year ‘Friends for peace, partners for prosperity.’

Business leaders accepted that both Europe and Asia will have to embark on major structural reforms. Many EU member states are already engaged in austerity programmes which are causing social unrest. The EU has just agreed on ambitious plans for a banking union to ensure that there can be no repeat of the banking excesses of recent years. Growth rates in Asia are also being lowered, partly because of the bleak global outlook. There is considerable interest in the future economic path in Asia which has been the major growth area in the global economy in recent years. But the region also faces major problems. Citizens in Europe and Asia are concerned about employment and future growth prospects.

The Forum, reflecting one of the central themes of the ASEM summit, emphasized that Europe and Asia need to reinforce their co-operation in a determined way to remove obstacles and grasp new economic opportunities. There is much that businesses from Asia and Europe can learn from each other. Differences between the two regions and the benefits and obstacles this creates for companies were also discussed in the plenary sessions.

Business leaders took note of the recommendations of the 9th Asia-Europe Peoples Forum (16-19 October in Vientiane) which talked of ‘a series of interlinked crises - food, energy, climate, human security and environmental degradation - that are already devastating the lives, and compounding the poverty and exclusion faced on a daily basis by millions of people across Asia and increasingly across Europe.’

The AEBF produced a set of recommendations that were submitted to a number of Heads of State and Government at the AEBF breakfast on 5<sup>th</sup> November. The three key messages of the 13<sup>th</sup> AEBF are the following:

- The need for a stable political, social and economic environment, where obstacles to trade in goods and services as well as investment are removed. The best framework for this is provided by the multilateral trade regime. Business leaders regret the continuing deadlock in the WTO Doha negotiations and urge all governments to resist protectionist tendencies.
- The need for governments to support competitiveness of companies by removing discriminatory treatment and by sticking to agreed common rules. Good public and private governance is important to retain the support of citizens. Fair competition and a stable regulatory environment are also important for business to develop. Particular attention should be paid to the problems and needs of SMEs, especially financing in a fast-changing world.
- Business understands the importance of sustainable development and seeks to work with governments to protect the environment while ensuring food and energy security. Business also recognises the increasing importance of regional and sub-regional cross-border economic cooperation.

In addition, the breakout sessions produced the following recommendations:

- The need for a stable legal, fiscal, investment and labour environment
- The need for symmetrical access to markets and to public procurement
- The need to step up the fight against corruption

- The need to implement and enforce the Basel III agreement on bank capital standards
- The need to separate the investment and commercial bank functions
- The need to establish specific credit guarantee funds with the financial and technical assistance of international development banks to support the SMEs that have promising activities but insufficient collateral that constitute the SME lending gap.
- The need to provide incentives and develop programmes to foster transparency and efficiency along food chains
- The need to enhance environmental management capacities; and local capacities to mitigate climate change and help reduce its impact on business
- The need to ensure that energy production and use has to be more sustainable, environmentally safe and socially and economically equitable
- The need to maintain an ethical approach to the management of natural resources which belong also to future generations.
- The need to ensure that the *bottom-up*, market-driven cooperation on connectivity needs to be coordinated through a *top-down* cooperation led by leaders at the highest level.
- The need to further strengthen Asian regional organisations in order to establish common rules and regulations.

The meeting between AEBF chambers of commerce and industries and business organizations acknowledged the importance of the AEBF and recommended upgrading the AEBF networking platform to a high level in order to enhance the cooperation and communication between national chambers of commerce and industry and regional business organizations. Key objective is to improve the dialogue with ASEM leaders through a system of established communication channels and to prepare significant contents for the future AEBFs.